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10/24/07

December 6, 2007

Dear Regional Council Members:

As my 31 years as Executive Director comes to a close, I want to thank you and all board members past and present for giving me an opportunity to serve an institution whose work is important to the future of our region. Since this is a major milestone in my life, I thought it appropriate to reflect on what we have accomplished together. I also want to share with you my next steps.

The tenth State of the Region Report, the draft Second Regional Comprehensive Plan, and the eighth draft-conforming Regional Transportation Plan that have been prepared under my leadership, will be presented to you today for release. The vision presented in these plans chart solutions to the problematic issues that have been repeatedly stated in the last nine State of the Region Reports. These plans enable the region to capitalize on its opportunities, and provide a pathway for achieving a sustainable environment. This body of work and our capacity to move it forward implements our Mission Statement of “LEADERSHIP, VISION, and PROGRESS.” It is the finest regional planning that we have ever conducted and rivals the planning work of any agency in the U.S. and probably abroad. What we have done over the past three decades enabled this body of work to be developed.

Previous Regional Councils have led SCAG through three Strategic Plans. First, John Flynn in 1991, through the Regional /Subregional Task Force, changed SCAG from a 17-member Executive Committee to a 72-member Regional Council. This change, which was put in place by John Longville, was made to overcome the criticism that a small number of elected officials were making the regional decisions. An inclusive decision-making process was put in place: sub-regions were created region wide; and a bottom-up/top-down planning and decision-making process, based on performance, was put into place. The result is that all of the general purpose governments in the region are involved in decision-making; and a new planning methodology was developed. This new framework is evolving into a national and international model of regional governance. Our ability to develop the RHNA, implement a legislative reform on RHNA and the Compass 2% Strategy was made possible by this framework.

Bob Bartlett in 1998 refined our Mission, Vision and Logo through our second Strategic Plan. The plan defined the SCAG brand: vision and leadership leading to progress. It launched our first State of the Region and our first Comprehensive Plan and Guide.

Our third Strategic Plan led by Bev Perry in 2003 called for new partnerships with the transportation commissions, subregions, tribal governments and the private sector. SCAG was the first Regional Council to add tribal governments to the Board as a voting member. We added a new unit to the organization to deal more

effectively with the subregions, commissions and our members. A new partnership with the private sector, Compass Partnership, was created. The Plan directed that SCAG focus on developing new financing instruments building on our success in the Alameda Corridor and the toll roads in Orange County. My staff and I authored and SCAG helped enact AB 1247 that will enable goods movement revenue-backed projects to be implemented in the region. The final governance innovation is the creation of the Southwest Alliance with our neighboring regions and with Baja California. This Alliance, made possible by our subregional structure and performance based decision-making structure, is now hailed as a model for MegaRegions.

SCAG is an institution that is a work in progress and needs to continually evolve. Your “Force for Change” Task Force is a current opportunity to build on a rich tradition of institutional growth led by elected officials.

LEADERSHIP is the most important part of the Mission Statement. Without leadership and active participation of elected officials, SCAG cannot evolve as an institution and cannot achieve its goals. To further develop this capacity, I was a founding board member of the Southern California Leadership Network which has as graduates many of SCAG’s existing leaders. I also served as Chairman of California Leadership which assisted in the development of legislators and state agency heads. Over the past two years, I have worked with the Membership and Communications Subcommittee to develop a leadership program for the elected officials engaged in SCAG’s decision-making process. The first class was a resounding success.

SCAG’s products and outcomes in this period have been documented on our wall of accomplishments. The following is a summary of our policy outcomes that have received national recognition, particularly innovative financing, goods movement, growth visioning, and environmental management.

Our efforts to plan and then assist in putting in place innovative financing structures, e.g. the Alameda Corridor, the Orange County toll roads, led to the development of the Transportation Infrastructure Financing Innovation Act which we helped draft and was included in the Federal Transportation Bill. The lessons learned were also incorporated in the drafting of AB1247 to be used for goods movement projects. The past three RTPs have relied on these finance instruments to develop financially constrained and conforming RTPs. Our work is cited as the model of alternative and innovative financing in the country and we are called on often to testify.

Good Movement projects, plans and strategies are the area where we are not only recognized nationally but internationally. In addition to developing the Alameda Corridor, we were the first region to plan for a system of truck lanes and the first region to propose moving goods with a system of high-speed rail corridors. Our elasticity study was a path-breaking effort to describe the economics of the goods movement system, and our work on logistics as an economic sector and as a pathway for economic and social upward mobility is now being identified as a

national program for economic growth, particularly for the rebuilding of the middle class.

Developing an understanding and consensus of how Southern California will grow is our major body of work. We were one of the first regions to look at growth from an economic region perspective. Understanding the economic forces has given credibility to our work. The level of consensus on the amount of growth that is forecast for the region is a major milestone. SCAG is the source of this information. Next we have developed one of the most successful visioning processes for the shape and distribution of growth—Compass 2% Strategy. Our vision is cited by many as a nation model for large MegaRegions. The final feature of our work is our forecast and understanding of how the people in the region will change. Decades ago, we forecasted the change in the composition of race and ethnicity long before anyone was discussing these issues. All of this work, which is both analytical and political, has been made possible by the elected leadership and the institutional changes that we have undergone.

We have been national leaders in our environmental management initiatives starting with the 1979 Clean Air Plan which we developed for the AQMD which set forth the strategies that were implemented over the past two decades. That plan called for the first offset program, the first alternative fuels program for the light duty fleet, and the transportation strategies that we are implementing today. For example, the amount of transit expenditures in the 1979 RTP have increased from 25% to 63%. Land use first identified in the 1979 plan is now a major component of our RTP and our air attainment. Every Air Quality Plan and every conformity finding on our RTP has been successful. In a vote of confidence for the organization, Chairman Glenn Anderson of the Congressional Transportation Committee asked SCAG that I be sent to DC to assist him in drafting the conformity provisions of the Clean Air Act. Our input to the 2007 AQMP, our Health Crisis Declaration, and the White Paper are setting the same vision for the heavy duty fleet and goods movement system that the 1979 plan did for the light duty fleet.

Our integration of transportation, land use and air quality has enabled us to develop environmental streamlining proposals such as CEQA reform and assist Riverside with their CETAP initiative. The Open Space chapter of the first Comprehensive Plan was the analysis that was used to establish the Santa Monica Mountain Conservancy. Finally, our water quality work led to the restoration of Upper Newport Bay, the establishment of the Save the Santa Monica Bay and the Salton Sea Authority. We are the first region in the country to incorporate scarcity of oil into our plan.

In transportation, we struggled to develop a decentralized aviation program made possible by a high-speed ground access system. A new joint-powers agency is in development and we received an unsolicited proposal to build and finance the system. The high speed/maglev also serves as a regional commute system and serves special events. We had a much easier time developing a regional HOV system which is in the final stages of being built. The plan for Metrolink was

developed as we were preparing the Alameda Corridor and was quickly implemented by our partners. The three-tiered transit system that we developed in the 1990s is in the process of being implemented. The most significant policy change in the region has been the shift away from mixed flow expenditures, 75% in the 1979 plan to 38% in the last plan.

All these efforts are the result of efforts of exceptionally talented and dedicated colleagues and staff. SCAG staff is creative; works long hours; and over the years staff has been adaptive to the dynamics of the region. I thank and congratulate all the great people that I had an opportunity to work with on the SCAG team. I also wish to thank all the extraordinary elected officials that have lead SCAG and labored to carry out the mission of SCAG.

Starting January 1, I have accepted an appointment as a faculty member at USC where I will be a Distinguished Fellow. My appointment will be in the Bedrosian Center on Governance and the Keston Institute on Infrastructure and Public Finance. The course that I will be teaching is Regional Governance and MegaRegions. This will also be the research focus of both units. I will also be a Co-Director of America 2050, a national organization that is dedicated to developing the third century growth strategy for the United States. In both positions, I will be able to utilize the knowledge and experience that I have gained at SCAG. I will also be able to continue to provide input on issues that have been my life's work. Thank you for the opportunity to serve as your Executive Director.

Thank you

A handwritten signature in black ink, reading "Mark Pisano". The signature is written in a cursive, flowing style with a small flourish at the end.

Mark Pisano
Executive Director